Base Support's Approach to CM and ABC/M Implementation

Learning Objectives

- ◆ **Know and understand the intent for cost and performance management in the Base Support business area**

- ◆ **Understand the vision for cost and performance management in the Base Support business area**

- ◆ **From the video, understand the leadership and motivational elements essential for implementing a successful cost management program**

Topics Presented

- **ACSIM's Intent for CM/ABC**
- **Scope of Base Support Business Area**
- **Mission and Vision for Base Support in CM**
- **Video of a CM Implementation**

ACSIM's Intent

- ◆ **Employ ABC as the CM methodology to manage the significant majority of the Base Support business area resources**

- ◆ **Use ABC to capture and provide local visibility of the cost of providing Base Support services**

- ◆ **Embed ABC/M in the local management decision processes of installation commanders and managers**

- ◆ **Provide local users with the capability within their ABC software to electronically accept or transmit data for use in other systems**

Base Support Implementation Plan

Approved by ACSIM in May 2000

Applicable to Army-funded installations

<u>Exemptions include</u>:

- ◆   **Army National Guard installations**

- ◆   **USAR Regional Support Commands**

- ◆   **Government-Owned, Contractor-Operated (GOCO) installations (such as ammunition plants)**

- ◆   **Other AMC installations where base support service costs are captured in other business areas' ABC models**

- ◆   **Civil works facilities**

- ◆   **Installations to be closed under BRAC**

- ◆   **Civilian Human Resources services (covered in another business area)**

Base Support Business Area

The Base Support business area includes the following services:

USACE Support to Installations *(Mandatory Application)*

Military Construction Support on Installations	USACE Support to Installation Base Support

Personnel Services

Military Personnel Manning	Military Personnel Services
Substance Abuse	Continuing Education Services

Morale, Welfare, and Recreation *(Mandatory Application)*

Army Community Service	Child and Youth
Fitness and Recreation	Business Operations

Information Technology (Mandatory Application)

Communication Systems and System Support	Visual Information Systems
Document Management	Information Systems Security
Automation	Information Technology Mgmt (IT Planning)

Resource Management

Program/Budget	Support Agreement/MOU/MOA Management
Management Accounting	Installation TDA Management
Management Analysis	

Base Support Business Area

Base Support business area services: (Continued)

Engineering *(Mandatory Application)*

Facilities Maintenance - Training & Operations	Facilities Maintenance - Maint & Production
Facilities Maintenance - RDT&E	Facilities Maintenance – Supply
Facilities Maintenance – Administration	Facilities Maintenance – AFH
Facilities Maintenance – UPH	Facilities Maintenance – Community
Facilities Maintenance - Medical/ Hospital	Maintenance - Improved Grounds
Maintenance - Other than Improved Grounds	Facilities Maintenance – Other
Maintenance - Surfaced Area	Heating/Cooling Services
Water Services	Waste Water Services
Electrical Services	Other Utility Services
Maintenance – Railroad	Family Housing Management
Army Lodging Management	UPH Management
Facilities Engineering Services Management	Master Planning
Real Estate/Real Property Administration	Real Estate Leases
Custodial Services	Indoor Pest Control
Outdoor Pest Control	Refuse Removal
Snow and Sand Removal	Minor Construction
Real Property Demolition	Conservation Programs
Restoration Programs	Compliance Programs
Pollution Prevention Programs	Fire and Emergency Response Services

Base Support

Base Support Business Area

Base Support business area services: (Continued)

Operations

Installation Security Program Mgmt Support   Force Protection

Logistics *(Mandatory Application)*

Ammunition Supply Services	Retail Supply
Central Issue Facility	Asset Management
Materiel Support Maintenance	Transportation Services
Food Services/TISA	Laundry & Dry Cleaning Services

Acquisitions *(Also included in Contracting Business Area)*

Contracting	Contracting Administration

Command and Staff

Correctional Services	Law Enforcement Services
Physical Security	Administrative & Civil Law
Criminal Law & Discipline	Client Services
Religious Support	Chaplain Special Staff Work
Community Relations	News Media Facilitation
Information Strategies	Command Inspections
Command Investigations	Complaint/Assistance Services
Protocol Services	Installation Management
Equal Employment Opportunity	Equal Opportunity
Internal Review	Installation Safety and Occupational Health

Base Support Implementation Plan

At HQDA, identifies Service Based Costing (SBC), Installation Status Report (ISR), and Standard Service Costing (SSC) as the Base Support Cost Management tools for Army headquarters

At the installation level, requires implementing ABC for Cost Management at about 100 installations by the end of December 2004 in:

- ◆ **Engineering (includes environmental programs)**
- ◆ **Logistics**
- ◆ **Morale, Welfare and Recreation**
- ◆ **Information Technology**
- ◆ **USACE Support to Installations**

Base Support Hierarchy

Hierarchy

Major Service Grouping (SSC)

Function (SSC)

Service (SBC)

Activity (ABC)

Example

Command and Staff
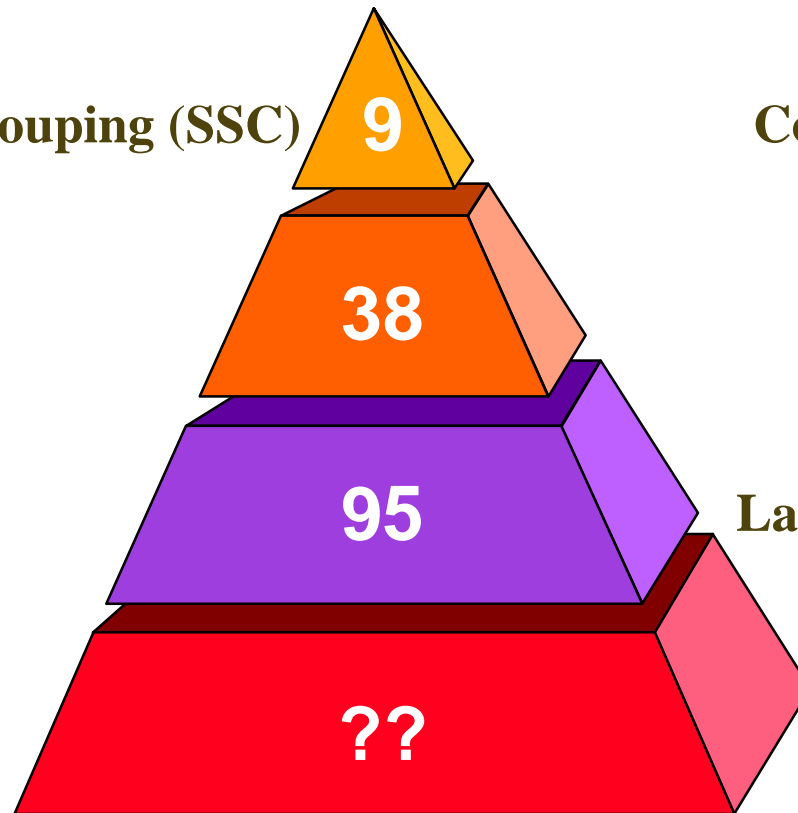
Provost Marshal

Law Enforcement Services

- **Respond to a call**
- **Investigate an accident**

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Base Support Mission

To provide or ensure the availability of efficient, effective base services and facilities to the Army's units and activities, to other tenants, and to soldiers and their families, civilian employees, retirees and other authorized users

Base Support

Base Support CM Vision

SSC fully validated and used <u>at all headquarters</u> levels as the tool of choice for benchmarking and the basis for requirements determination

ABC/M fully deployed, maintained and used for continuous process improvement <u>at all installations</u> in Engineering, Logistics, Morale, Welfare and Recreation, Information Technology, USACE Support to Installations, and other functional areas as determined by local commanders by December 2004

Elements of the Base Support Vision for Cost Management

♦ **Installations will benchmark their productivity with all potentially competitive sources**

♦ **Local managers have the necessary tools to continuously improve productivity (i.e., benchmark against themselves)**

♦ **CM/ABC is used _locally_ for resourcing and productivity decisions; local data can be used to feed systems supporting higher HQs**

♦ **Installation personnel will collect and enter data once into a system with automatic reuse in other systems**

♦ **Supervisors and managers are evaluated based on productivity improvement**

VIDEO

Base Support

Summary

So, is this a culture change?

Base Support

19 September 2000